

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Commonwealth Edison Company :  
: 10-0467  
Proposed general increase in electric rates. :

ORDER

May 24, 2011

OFFICIAL FILE

I.C.C. DOCKET NO. 13-0387  
METEA <sup>cross</sup> Exhibit No. 1  
Witness BRINKMAN  
Date 9-24-13 Reporter KK



OTR 1 corroborates and confirms Mr. Terhune's conclusion that a *de minimis* portion of the 4 kV system is used to serve the Extra Large Load class. (REACT Cross Ex. 25; REACT Initial Brief at 29-30).

### **ComEd's Position**

ComEd asserts that it presented evidence demonstrating that further segmentation of its primary distribution system is not warranted. According to ComEd, it proved that it is not appropriate to exclude all costs for these facilities from these classes because there are instances, in which, such customers use circuits or facilities that operate at 4 kV. In support, it cites its witness Alongi. (ComEd Ex. 49.0 Rev. at 29-30; ComEd Initial Brief a 111). ComEd contends that the CTA, REACT and Metra fail to recognize that ComEd's primary distribution system operates at voltages of 4 kV or higher, as the Commission recognized in its Docket No. 08-0532 Order. In support, it cites the Order in Docket No. 08-0532 at 84, finding 4(a).

ComEd further asserts that its contract with CTA provides that ComEd shall provide electricity at 12 kV unless ComEd consents or elects a different voltage. (CTA Ex. 1.02 at 6). ComEd's contract with Metra provides that ComEd shall provide electricity at 12 kV or 4 kV for Metra substations existing at the time of the contract or 12 kV for additional substations unless parties mutually agree to a different voltage. (See, Metra Ex. 1.01 at 8-10). ComEd avers that any attempt to segment ComEd's almost 3.8 million customers based on their usage of specific components of the primary distribution system would be costly, complicated and fraught with assumptions. It avers that while one might find that any particular group or class of customers may make disproportionately small use of some components of the primary distribution system, it is equally plausible that those customers may make disproportionately larger use of other components. (ComEd Reply Brief at 115-16).

### **Commission Analysis and Conclusions**

The issue here is whether to allocate the costs that are associated with 4kV lines to the Extra Large Load and Railroad classes. If these customers are paying for service that they do not use (or use on a *de minimus* basis, in the case of the Extra Large Load customers), they contend that they should not be required to pay for that service.

ComEd argues that the Railroad Class takes service at 4 kV. This is undoubtedly true, however, the evidence overwhelmingly establishes that it does so at a different rate than the Railroad Class rate. While Mr. Alongi testified that the Railroads take service at 4kV, he previously testified in Docket No. 08-0532 that they do not. (Docket No. 08-0532, Tr. at 563-64). Also, ComEd proffers its contracts with Metra and the CTA (the only members of the Railroad Class) as proof that these two customers take electricity at 4 kV. However, a contract merely proves that a party is obligated to do something; it does not establish that Metra and the CTA take Railroad Class service at this level. The two are not the same.

The Commission additionally notes that even ComEd's witness Heintz testified that that he knew of no 4 kV line that serves the Railroad Class. In fact, the evidence indicates that if the Railroad class *did* take service at 4 kV, it would be impracticable and

very costly, as all of the 4 kV equipment that would have to be installed inside and upstream of the CTA substations would have to be sized to handle at least three times the electric current that is presently supplied through the existing 12 kV equipment. (CTA Ex. 4.0 at 3). Based on the evidence provided, it is clear that the Railroad Class does not, and probably will never, take service at 4 kV.

The question then becomes whether this fact justifies requiring ComEd to exclude 4 kV costs in a future cost of service study. ComEd argues, essentially, that its customers, in general, must pay a percentage of the whole of its costs, as they have usage of the system as a whole. This contention is not without merit, as, at some point, exclusion of certain asset costs for a particular group of customers could result in a distortion of the price that all customers must pay to benefit from the use of a utility.

However, the Commission need not decide this issue with respect to the Railroad Class. ComEd has had, for many decades, a unique relationship with the CTA and Metra. Proof of this unique relationship can be found in the fact that ComEd has contracts with these two entities. These contracts define the relationship between ComEd and these two entities. This is true because, necessarily, there is no point in entering into a contract if a tariff governs all of the terms and conditions between the parties. Also, ComEd uses railroad-owned facilities to supply electricity to other customers. In fact, as is set forth elsewhere herein, in some instances, ComEd is dependent upon the railroads' facilities in order to supply electricity to other, non-railroad customers. The Railroad Class is truly a unique class, which has been segregated for decades. It should be segregated here.

The Commission also notes that, while ComEd maintains that it would be difficult and costly to segregate-out the 4 kV costs from the Railroad Class, this class has but two customers. And, the load-flow study, presented herein, should guide it. The Commission therefore directs ComEd to work with Metra and the CTA, and Staff if appropriate, to study, define, and delete from the costs assigned to the Railroad Class the costs that are associated with the 4 kV facilities that are not used to serve the Railroad Class. Pursuant to that effort, ComEd shall develop a new embedded cost of service study for the next rate case that excludes the costs that are associated with facilities below 12 kV from the Railroad Class. This study shall be part of ComEd's initial rate case filing. Failure to comply with any portion of this directive could subject ComEd to the penalties provided in the Public Utilities Act for failure to comply with a Commission Order.

As is set forth in the issue below, the Commission concludes that ComEd must perform an investigation of the Extra Large Load customer classes. Included in that study shall be an assessment as to whether these customers use 4 kV service, and if so, to what extent, and also whether the NCP or CP allocator is an accurate allocator for these customers. The Commission acknowledges that, in the past, it has declined to require a study regarding this class of customers. However, that was before REACT presented an engineer who analyzed evidence that ComEd provided to him and concluded that these customers use very little single, two-phase, or 4 kV service, if any. The Commission notes that Mr. Terhune analyzed documents regarding 45 of the total of 57 Extra Large Load customers.